



15 July 2011

Lonmin Plc

LEM Trust Distribution of Proceeds of Incwala BBBEE Funds

Lonmin Plc (Lonmin), Shanduka Resources (Proprietary) Limited (Shanduka) and the National Union of Mineworkers (NUM) are pleased to announce that following the disposal by Lonplats Employee Masakhane Trust (LEM Trust) of its indirect shareholding in Lonmin to Shanduka in July 2010, qualifying members of the LEM Trust will today receive proceeds from this sale.

The LEM Trust was one of the original HDSA shareholders in Incwala Resources and their disposal of shares was made as part of the recent restructuring of Incwala Resources, Lonmin's BEE vehicle which is now majority owned by Shanduka Resources and which owns 18% of Lonmin's Marikana Operations.

Beneficiaries of the disbursement are current and ex-employees of Lonmin who were members of the Masakhane Provident Fund, the primary beneficiary of the LEM Trust between 1 September 2004 and 9 July 2010.

A total of 26,018 current and ex-employees qualify for the disbursement which will be paid based on the number of years an employee served as a member with the Masakhane Provident Fund. Pre-tax disbursements will range from R1, 898 to R9,491 per person. The qualifying criteria as well as the distribution mechanisms and timing thereof were determined by the NUM and the LEM Trust.

Commenting:

Phuti Malabie, CEO, Shanduka Group said:

"The distribution of the proceeds of the LEM Trust to such a large number of people (over 26,000) demonstrates the remarkable benefits sound BEE transactions can lead to when structured properly."

Frans Baleni, General Secretary, NUM said:

"We are pleased our members are directly benefitting from the Incwala transaction in real terms."

Ian Farmer, Chief Executive Officer, Lonmin, said:

"The disbursement to the LEM Trust members is most welcome. We continue to explore mechanisms that will enable us to introduce another broad based ownership scheme into our shareholding structure by 2014."

- End -

Notes to the editor

The LEM Trust is a Trust set up for purposes of enabling Lonmin employees who are members of the Masakhane Provident Fund to benefit from the Incwala BEE transaction. It was one of the original HDSA shareholders in the Incwala Resources BEE transaction which was established by Lonmin in September 2004 and which resulted in Incwala owning 18% of the equity of Lonmin's two principal operating subsidiaries. Incwala Resources was subsequently restructured in July 2010. This resulted in Shanduka acquiring Incwala Resources shares from a number of counterparties including certain of the original Historically Disadvantaged South.

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